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FLOOR DEBATE

March 23, 2004      LB 485

Affairs Committee. The bill was advanced to General File. I do have committee amendments. (AM0911, Legislative Journal page 996, First Session, 2003.)

SENATOR CUDABACK: Thank you, Mr. Clerk. Senator Janssen, Chairman of the General Affairs Committee, you're recognized to open on advancement of LB 485.

SENATOR JANSSEN: Thank you, Senator Cudaback, members of the Legislature. LB 485 is a product of an interim study resolution introduced during the 2002 interim, that was LR 432. This resolution called for the study of the license classification and fees under the Liquor Control Act. During an interim study hearing, it was pointed out that there are over 12 classes of retail licenses and currently many more than that with a combination of licenses. Many of the classes of license and their fees have remained unchanged. They were put into place during Prohibition, the end of Prohibition, in 1935. They have remained unchanged. The licenses that have been added over the years were to take care of specific concerns at that time. However, it does not appear that the licensing structure has ever been revisited as a whole or updated. Therefore, we have some odd and possibly outdated differences in the licensing...in the licenses that are available. For example, currently spirits can basically not be sold for off-sale consumption outside the city limits, but beer and wine can be. Another example is that a license to sell beer off-sale is \$25, but a license to sell wine off-sale is \$125. Or another is that you can sell alcoholic liquor for an on-premise consumption in a municipality for \$200, but it will cost you \$500 for a bottle club license to do the same thing outside the city or village limits. To address these issues, LB 485 makes several changes to the Liquor Control Act, including restructuring liquor licenses and fees. The bill currently would not be operative until May 1 of 2004, on which date the license would transition. It will be offered in an amendment to delay that date to May 1 of 2005, because of the date that we heard this bill. In addition to affecting retail license, the bill changes the fees for a wholesale license and changes the catering license by expanding the availability and the fees. It changes payment for certain license fees and clarifies language regarding occupation tax,